

# *Challenges and Opportunities of Chinese Intergenerational Marketing in the New Consumption Era*

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**Abstract:** China is at the time of the new consumption era of the intergenerational transformation of consumer subjects, the renewal and expansion of consumption patterns and the upgrading of consumption concepts. Young consumers represented by the post-90s generation have gradually become the main force of consumption in China. The upgrade of consumption concept and consumption model just fits the consumption concept and consumption behavior of the post-90s generation. In order to seize the future market, intergenerational marketing is the general trend. This article believes that China's current generational marketing has the problems of blindness, conformity, and homogeneity. Based on this, future generations of marketing need to reasonably use artificial intelligence for accurate consumer portraits and connect consumers and brands from the perspective of the circle, and deeply cultivate the content of youthful marketing, enhance the presence of young consumers, and carry out an interactive and social intergenerational marketing model.

## **1. Introduction**

The State Council of China issued the “Guiding Opinions on Actively Giving Full Play to the Leading Role of New Consumption and Accelerating the Cultivation and Formation of New Supply and New Impetus”(Translation) in November 2015, pointing out the importance of “comprehensive deployment of consumption upgrading to lead industrial upgrading to meet the creation of new consumption and form new impetus”. The concept of “new consumption” is clearly put forward, which also marks the progress of Chinese consumer market from traditional consumer propositions and consumer concepts to a new stage of consumption. The outbreak of the new crown pneumonia epidemic in early 2020 not only brought a crisis to China's economy, but also brought opportunities for the transformation and upgrading of traditional consumption. Special social conditions have accelerated the development of new consumption models, and new consumption models such as contactless consumption, micro-commerce, e-commerce platforms, and live streaming have shown a spurt of growth. On the other hand, “new consumption” not only refers to new consumption patterns, but also emphasizes consumption upgrades, improving consumption quality, and changing traditional

consumption propositions and consumption concepts, which are the transformations of consumption concepts. Consumption is no longer just a simple buying and selling process, but also a way to satisfy the emotional and spiritual needs of consumers. For example, increasing number of “rewarded” consumption and “Kuakua group” have appeared on many webcast platforms, which all reflect the changes of consumption behavior. The changes in consumption concepts and consumption patterns have marked the advent of a new consumption era, and at the same time, they have also brought new opportunities and challenges to marketing activities.

According to the “2018 Consumption Upgrade Big Data Report” jointly compiled by China UnionPay and “JD Finance”, and the “Chinese Residents Consumption Upgrade Report” issued by SuNing Financial Research Institute based on NetEase Big Data and the third-party think tank, the main force of Chinese consumers is gradually shifting to younger age. Although the post-70s generation still maintains a leading position in consumption, the post-90s consumption has risen rapidly. In 2018, the consumption growth rate reached twice that of the post-70s<sup>[1]</sup>. The post-80s and post-90s have gradually become the main force of consumption in China. The “2019 China Residents Consumption Upgrade Report” also pointed out that while the main body of consumers is changing, the quality of consumption of Chinese residents is also continuously improving. Taking the automobile market as an example, “post-90s are gradually becoming the main consumer in the domestic automobile market, while the middle-end automotive market in small cities is growing most rapidly.”<sup>[1]</sup> It can be seen that the young people represented by the post-90s pay more attention to quality in their consumption concepts, rather than merely satisfying basic needs. Their consumption concepts are no longer limited to satisfying the material level, but gradually evolving to satisfy higher spiritual and emotional demands. Based on such changes, young consumers have become the focus of brand and market promotion and marketing, and “intergenerational marketing” has become an important market strategy in the new consumer era in China.

## 2. The Connotation of Intergenerational Marketing

The expression “generations” first appeared in the paper of German sociologist Karl Mannheim. He proposed the concept of “social cohorts or social generations” and expressed it as “a group of people in the same age, due to the influence of major historical events, and who formed a unique social personality and had a significant impact on subsequent history.”<sup>[1]</sup> Mannheim believes that the groups that make up the same “social generation” should first be peers, and be in a specific generational location in the social structure, that is, have similar social growth experiences, and thus have a common identity. In Western countries such as Europe and the United States, due to the frequent social movements in the middle of the last century, “Baby Boomers” and “Beat Generation” appeared; in this century, the Internet and new media technologies have also led Western scholars to pay more attention to “Generation Z” (Generation Millennials).

The generally accepted method in Chinese society is to divide the “generation” according to the birth time of the population, that is, those born in the 70s, 80s, 90s, 00s, etc. The differences in the social and cultural environment that people in different generations live in during their growth have resulted in different values, ideological understandings, and behavior patterns among people of different generations. The level of development in material and technology also determines the degree of development of different generations. Different generations of people have different consumption views, and people of different generations have been marked with their own “intergenerational brand”. Generally speaking, people born in the 1970s have experienced major historical events such as the smashing of the “Gang of Four” and the Tangshan Earthquake. The material conditions for their growth are limited. Therefore, the people born in the 1970s have strong economic awareness and emphasize hardship, simplicity and pragmatism. The post-80s generation is

a generation that has grown up with China's reform and opening up process. Material conditions have gradually improved and educational opportunities have increased. However, the "one-child policy" has also put the post-80s under the pressure of raising parents and social competition. At the same time, the post-80s are also the first group to use the Internet in China. Therefore, they are more willing to express different thoughts and attitudes from their predecessors, pursue individuality in consumption concepts, and are willing to enjoy life. The growth process of the post-90s generation coincides with the economic take-off of China. The advent of the Internet era allows them to broaden their horizons. The social environment is more tolerant and open. The Chinese and Western cultures collide and merge with each other. This growth environment has shaped the unique consumption outlook of the post-90s group. Values, their individuality, pursuing fashion trends, advocating personalized products and services, advocating advanced consumption, and their predecessors' consumption concepts have undergone tremendous changes.

Aware of the changes in the market, increasing number of brands and companies have taken actions to join the "younger" marketing strategy. In response to this phenomenon, some scholars have put forward the concept of "intergenerational marketing", but there is no specific definition to explain it. Combined with related marketing activities in the industry, this article believes that the so-called intergenerational marketing refers to the marketing strategy of a brand or company focusing on the younger generation of consumers. Its purpose is to maintain the "youthfulness" of the brand and products. The target audience is always young "intergenerational" consumers in their 20s. The specific form can include the brand's own "anti-aging" or product update iterations, etc., but its ultimate appeal must be to maintain the brand's youthful image and target young consumers as a marketing activity. Typical cases include Coca-Cola, Diesel, etc., both of which have a history of hundreds of years, but their marketing activities are always aimed at young people around the age of 20. The brand has always maintained a "young" image, leading the trend for consumers.

### **3. Shortcomings of Intergenerational Marketing in China**

Consumption upgrades and diversity of consumption patterns have announced the advent of a new consumption era. The changes in consumer subjects have caused more brands to adopt intergenerational marketing strategies. Some brands in intergenerational marketing such as OPPO mobile phones, Master Kong ice tea, etc have achieved success. It has achieved a good response in the market, but some brands blindly follow the trend and a series of problems have appeared.

#### **3.1 More Brands Are Doing Intergenerational Marketing, But Long-Term Planning is Missing**

In 2020, the last batch of post-90s has also entered the ranks of 20+, and most of the post-80s have already married and established businesses. The post-60s who used to be the main consumers are gradually getting old, although the post-70s still occupy the leading position of consumption, But the rapid rise of post-90s consumption has made brands and companies fully aware of the changes in consumer subjects. The change of consumers will inevitably bring about a series of chain reactions. Therefore, in recent years, brands that have targeted young people as their marketing target have begun a "rejuvenation" road, aiming to narrow the distance between their own brands and young consumers and expand market share. The domestic OPPO mobile phone is a relatively good case in terms of brand rejuvenation, and a series of strategies have been adopted to cater to the psychology of young people. Ms. Yuanyuan Zhao, creative director of Ogilvy Advertising, once summarized the success of OPPO's intergenerational marketing in an interview: "OPPO's contracted promotion stars have always been 'high-traffic' popular artists with a large number of 'fans', exerting the star's fan effect and motivating fans Groups buy OPPO products"<sup>[IV]</sup>. in addition, OPPO also titled many variety shows whose viewing groups are young people, and deep-bound them, giving young

audiences the impression that “OPPO-titled programs are programs suitable for young people”, so as to deeply connect with young consumers.

In order to achieve brand rejuvenation, cross-border cooperation has become one of the important marketing models adopted by brand intergenerational marketing in recent years. For example, some brands cooperate with trendy clothing brands or some fashion IP to launch products. OPPO has collaborated with Guerlain of France to launch a limited-edition gift box set, and has also collaborated with some independent designers to create trendy clothing, injecting fashion elements into OPPO, and has achieved a good market response. But on the other hand, some brands are eager to enter the young consumer market, blindly follow the trend to shape their own younger brand image. They seem to be doing intergenerational marketing, but in fact they lack in-depth understanding of young consumers and psychological insight, unable to grasp the psychological needs of the audience to achieve resonance. For example, in 2019, the cooperation between Heytea and Durex was disgusted by consumers, which had a negative impact on the Heytea brand; another example is that in recent years, “Forbidden City” has become a new IP for brand rejuvenation cooperation. Many brands are co-branded with the Forbidden City, but the so-called cooperation of many brands has evolved blindly to follow the trend. In order to show young and cross-border, there is no innovation, and the brand memory is lost. It is difficult for the brands that cooperate with them to leave a deep impression in the minds of consumers.

### **3.2 Intergenerational Marketing Media Channels Are Converging, and Marketing Strategies Need to Be Diversified**

In recent years, the number of brands engaged in intergenerational marketing in China has gradually increased. However, due to the strong dependence of most young consumer groups on mobile social media and short video sites, most brands’ intergenerational marketing is limited to WeChat, Weibo, Tiktok , Bilibili and other social media and video sites. The convergence of media channels directly affects the effects of intergenerational marketing. Each brand concentrates on the same media for advertising, which is not only difficult to impress consumers, but also damages the brand’s individualized image communication.

Brands should implement different marketing strategies for intergenerational marketing, and carry out targeted and differentiated marketing strategies based on the characteristics of young consumers’ consumption concepts and consumption habits. Based on the post-90s people’s pursuit of individuality, willingness to try new things, novelty-seeking psychology, love of fashion trends, and self-adherence attitudes can start from the product itself. For example, it can launch personalized product packaging, new functions and new tastes Innovative products, RIO cocktails and “Hero” brand inks have cooperated to launch “Rio Hero Ink Cocktails”, which has received very good market response. At the same time, young people’s consumption concepts have undergone tremendous changes with the older generations. They advocate early consumption and impulsive consumption. Therefore, the price strategy of intergenerational marketing should shift to credit consumption. Third, inter-generational marketing should adopt more diversified strategies and innovative ideas to avoid the deficiencies of the convergence of media channels and the homogeneity of marketing ideas. The brands “Okamoto” and “Ele.me” once jointly created a convenience store that only operates for 12 hours. Although it still adopts the “cross-border” model, it is more like a pop-up store idea for consumers. It creates a romantic and warm feeling. Compared with the marketing of Hey Tea and Durex, it stands out immediately, and it is also widely praised by young consumers.

### **3.3 Blind Rejuvenation of Inter-Generational Marketing, Aiming At Unpredictable Effects**

The changes in consumer subjects in the Chinese market have made brands deeply feel that if they want to capture young consumers, brands must be younger and communicate with young consumers. Therefore, major brands have embarked on the road of brand rejuvenation. However, many domestic brands are just chasing after the concept or some popular brands. They lack psychological insights into young consumers and long-term brand and market strategies. Many intergenerational marketing investments are expensive, but the gains are minimal. In 2019, JD.com conducted an inter-generational marketing campaign for college students who were born in the school season after 00. They filmed an ad called “Walk down with you, even if it is a detour”, describing their life status in the tone of several people born after 00. And the “mourning culture” is embodied in the copywriting. On the surface, it seems that it is not easy to understand the struggle of young people, but it cannot resonate with the post-00s group, because young people most dislike being “labeled”. However, there are too many labels for post-00s in the advertisements, such as “Keyboard Man”, “Social Fear”, etc. The ads provoke the negative emotions of post-00s, but touch the bottom line of values of the entire society and did not achieve the expected effect.

Some other brands, such as Pechoin, conducted an inter-generational marketing in the form of “long graphics” during Mother’s Day in 2017. Pechoin is a domestic brand with a history of nearly a hundred years, but as its traditional image, it cannot be favored by young consumers. Its main consumer group is the “mother” group born in the 1950s. But the campaign was launched on social media WeChat and Weibo in the form of print ads, using the special downward reading function of mobile media, taking the culture of the Republic of China and the street scenes of old Shanghai as creative inspirations, incorporating story narratives, and successfully attracted the attention of young consumer groups. This campaign aroused discussion and a large number of reposts by young groups on social media. Although Pechoin has not changed the characteristics of its products and still maintains the traditional image of the brand, the retro wave has resonated strongly among the young consumer groups, coupled with the novel long graphic format, taking advantage of the timing of Mother’s Day, the marketing strategy has become “buy gifts for mothers”, which successfully created the image of “the most suitable gift for mothers” for young consumers. Many post-90s even confessed that “even though it is advertising, we still forward it”. However, sales data shows that although the marketing effect is very good, the conversion rate is very low, the actual purchase is very seldom. This also reflects one of the current dilemmas faced by intergenerational marketing: intergenerational marketing strategies implemented for brand rejuvenation, but the marketing effect is difficult to measure.

#### **4. Future Opportunities for Intergenerational Marketing in China**

The new consumption era advocates consumption upgrades and diversification of consumption patterns. At the same time, with the increase in purchasing power of post-80s and post-90s, they have gradually become the main force of Chinese consumer groups, and their consumption concepts have undergone tremendous changes from their predecessors. The changes in the values and concepts of young people are reshaping the market. Brands want to attract young consumers. Intergenerational marketing is the focus of future marketing strategies. Under the new consumption concept, what is the development trend of inter-generational marketing is the question that this article needs to study.

##### **4.1 Deep Cultivating Younger Content is Still Effective**

No matter how the platform and medium change, it is always the content that can impress consumers. Just like commercials in the past, TV commercials were played on TV, but today they are put on video websites, but with a different medium, the essence of which has not changed. The quality of content is always the fundamental reason that impresses consumers. Good content is

brought into play and influenced by new media forms, such as Pechoin's "long graphic" form. In fact, Pechoin has been developing marketing strategies around the keywords of old Shanghai and traditional Chinese culture in recent years. However, the long graphic model in 2017 took advantage of the special reading habits of mobile media platforms to carry forward this idea and finally gained the good effect. Nowadays, some brands blindly follow the trend, thinking that using the language commonly used by post-90s and post-00s and their favorite animation forms in copywriting will shorten the distance with consumers, but there is no content that really resonates. Such inter-generational marketing is unable to achieve the effect of brand rejuvenation.

#### 4.2 Brand Personification Trend is Obvious

As the post-80s and post-90s groups gradually grow into mainstream consumer groups in the new consumption era, the traditional marketing model is gradually weakened by the transition of generations, and new marketing strategies and methods are urgently needed for intergenerational marketing. In recent years, some brands have achieved good results in inter-generational marketing. For example, Jiang Xiaobai has turned the packaging of products into a platform for copywriting and creativity, and has built his own brand into the image of "gloomy literary youth", quickly occupying the young consumers' minds; another example is Weiquan Daily C printed various reasons for drinking juice on the beverage bottle, more like a friend who silently cares about consumers, such a brand "personal design" makes the product no longer a cold item, but an anthropomorphic image that can talk to consumers; even the Laoganma brand printed sweet words of love on the bottle, leaving a deep impression on young consumers. The success of these intergenerational marketing cases all point to a common point: the personification of the brand or the "personality" of the brand is a new trend in the development of brand intergenerational marketing in the future.

#### 4.3 The Combination of High Technology and Creativity is the Future Trend

The rapid development of artificial intelligence and media technology has given more options for creative execution. The rapid rise of e-commerce platforms provides new possibilities for consumer insights. With the support of artificial intelligence technology, brands can collect detailed information about user purchase behaviors, such as buyer preferences, interests, purchasing power, etc., through different algorithms obtain accurate portraits of consumers and recommend related products to consumers. Therefore, a very important part of future intergenerational marketing is the use of artificial intelligence. Information such as consumer purchase intentions and attitudes that were difficult to understand in the past can be realized through big data and artificial intelligence algorithms. Such technical means will undoubtedly enable the brand to better understand the target audience, so as to promote the products in a targeted manner and realize the innovation of products and ideas.

In addition, the combination of media technology and creativity is the development trend of future generations of marketing. At the 2019 Cannes International Creativity Festival, the WeChat applet "Breathing Tree" won the Grand Prize of Pharmaceutical Lions. "*The Tree of Breathing* is a small program for self-measurement of lung volume. Users only need to blow into the phone microphone as required, and the program will estimate the user's lung volume according to a preset algorithm."<sup>[V]</sup> This idea is integrated the traditional Chinese art form of blowing ink, combining it with the COPD potential risk test, breaks the traditional creative method, and makes it easier to be accepted by users using the WeChat social platform.

Young consumer groups represented by the post-90s have grown up in the environment of rapid development of the Internet in China, and online games have become an important part of their

growth process, and they have also cultivated the characteristics of the post-90s people who like to shop in the game scene. In recent years, H5 advertisements have taken advantage of this characteristic of young consumers, combined with the functions of mobile media, and created marketing ideas into interactive game models. The form is novel, and brands are implanted in the process of consumer games, which leaves consumers a good impression of the brand and fits the characteristics of young consumers born in the 90s who like the game scene. The combination of artificial intelligence, the Internet, media technology and marketing creative is the general trend of future generations of marketing.

#### 4.4 Circle Culture as the Entry Point to Achieve Precise Intergenerational Marketing

The circle is “a group of people with a specific relationship model maintained by emotions, interests, interests, etc.”<sup>[VI]</sup>. In the era of traditional media, people can only aggregate with a limited group of people to form a social circle due to the limitations of technology and geographic distance; the development of Internet technology has broken through physical limitations, allowing groups with the same “emotions, interests, and interests” to gather through the Internet, forming an online community. “The niche culture of youth groups dominated by fun relationships is gradually showing its vitality.” The new generation of consumer groups represented by the post-90s generation is more inclined to socialize niche circles, from the e-sports circle and the animation circle. In the Hanfu circle, they are all social circles gathered together with common interests and hobbies. The circle brings the masses together and at the same time disperses the masses. It is separated from the circle and the circle. It is a product of the information explosion era and a reflection of the fragmented characteristics of the post-90s consumers.

The core of intergenerational marketing is brand rejuvenation. Therefore, grasping the preferences of young people is the prerequisite for doing good intergenerational marketing. The post-90s' circle culture can “label” young consumers with a wide range of hobbies and quickly indicate their respective characteristics. Combining these characteristics skillfully with products and brands can break the past relatively macroscopic age, gender, occupation, etc. Target consumer classification can better segment and profile young consumers, playing a role in precision marketing. Seizing the different circles of the post-90s young people for marketing will undoubtedly become one of the important strategies for future generations of marketing.

The upgrading of consumption concepts and the renewal of consumption patterns mark the advent of a new consumption era in my country. In the face of the generational transformation of Chinese consumer subjects and the trend of brand rejuvenation, intergenerational marketing has become one of its important marketing strategies. However, my country's current generational marketing has problems of blindness, conformity, and homogeneity. Based on this, my country's future generations of marketing need to reasonably use artificial intelligence to carry out accurate consumer portraits and to conduct intergenerational from the perspective of the circle. Marketing, and deeply cultivate the content of youthful marketing, enhance the presence of young consumers, and carry out an interactive and social intergenerational marketing model.

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